

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE DRS35025-LM-3A (11/13)

Short Title: Time for Recording Foreclosure Notice. (Public)

Sponsors: Senator Graham (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING THAT IN CASE OF FORECLOSURE OF A DEED OF TRUST OR
3 MORTGAGE THE COMMISSIONER OR TRUSTEE AUTHORIZED TO SELL THE
4 PROPERTY SHALL RECORD A NOTICE OF FORECLOSURE IN THE OFFICE OF
5 THE REGISTER OF DEEDS WITHIN SIXTY DAYS AFTER FILING THE FINAL
6 REPORT ON THE SALE OF THE PROPERTY.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 1-339.31 reads as rewritten:

9 "§ 1-339.31. **Public sale; report of commissioner or trustee in deed of ~~trust~~trust;**
10 **recording of foreclosure.**

11 (a) A commissioner or a trustee in a deed of trust, authorized pursuant to G.S. 1-339.4
12 to hold a public sale of property, shall, in addition to all other reports required by this Article,
13 file with the clerk of the superior court an account of his receipts and disbursements as follows:

- 14 (1) When the sale is for cash, a final report shall be filed within thirty days after
15 receipt of the proceeds of the sale;
- 16 (2) When the sale is wholly or partly on time and the commissioner or trustee is
17 not required to collect deferred payments, a final report shall be filed within
18 thirty days after receipt of the cash payment, if any is required, and the
19 receipt of all securities for the purchase price;
- 20 (3) When the commissioner or trustee is required to collect deferred payments,
21 a. He shall file a preliminary report within thirty days after receipt of
22 the cash payment, if any is required, and the receipt of all securities
23 for the purchase price, and
24 b. If the period of time during which he is required to collect deferred
25 payments extends over more than one year, he shall file an annual
26 report of his receipts and disbursements, and
27 c. After collecting all deferred payments, he shall file a final report.

28 (b) The clerk shall audit and record the reports and accounts required to be filed
29 pursuant to this section.

30 (c) In case of foreclosure of any deed of trust or mortgage, the commissioner or trustee
31 shall, within 60 days after filing the report required by subsection (a) of this section, record in
32 the office of the register of deeds in the county in which the property is situated a notice of
33 foreclosure that complies with the provisions of G.S. 45-38."

34 SECTION 2. G.S. 1-339.40 reads as rewritten:

35 "§ 1-339.40. **Private sale; final ~~report~~report; recording of foreclosure.**



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1 (a) A commissioner or a trustee in a deed of trust authorized pursuant to G.S. 1-339.4 to
2 hold a private sale of property shall make such a final report as is specified in G.S. 1-339.31.

3 (a1) In case of foreclosure of any deed of trust or mortgage, the commissioner or trustee
4 shall, within 60 days after filing the report required by G.S. 1-339.31(a), record in the office of
5 the register of deeds in the county in which the property is situated a notice of foreclosure that
6 complies with the provisions of G.S. 45-38.

7 (b) Any other person authorized pursuant to G.S. 1-339.4 to hold a private sale of
8 property shall make such a final report as is specified in G.S. 1-339.32."

9 **SECTION 2.** G.S. 45-38 reads as rewritten:

10 "**§ 45-38. Recording of foreclosure.**

11 In case of foreclosure of any deed of ~~trust,~~trust or mortgage, the trustee, mortgagee, or the
12 trustee's or mortgagee's attorney ~~shall~~shall, within 60 days after filing the final report required
13 by G.S. 45-21.33, record a notice of foreclosure that includes the date when, and the person to
14 whom, a conveyance was made by reason of the foreclosure. In the event the entire obligation
15 secured by a mortgage or deed of trust is satisfied by a sale of only a part of the property
16 embraced within the terms of the mortgage or deed of trust, the trustee, mortgagee, or the
17 trustee's or mortgagee's attorney shall indicate in the notice of foreclosure which property was
18 sold.

19 A notice of foreclosure shall consist of a separate instrument, or that part of the original
20 deed of trust or mortgage rerecorded, reciting the information required hereinabove, the names
21 of the original parties to the original instrument foreclosed, and the recording data for the
22 instrument foreclosed. A notice of foreclosure shall be indexed by the register of deeds in
23 accordance with G.S. 161-14.1."

24 **SECTION 3.** This act becomes effective October 1, 2013, and applies to any
25 foreclosure of a deed of trust or mortgage that occurs on or after that date.